Paypal Fruad

In a collection in person PayPal scheme, the scammer targets eBay auctions that allow the purchaser to personally collect the item from the seller, rather than having the item shipped, and where the seller accepts PayPal as a means of payment.

The fraudster uses a fake address with a post office box when making their bids, as PayPal will allow such an unconfirmed address. Such transactions are not covered by PayPal's seller protection policy. The fraudster buys the item, pays for it via PayPal, and then collects the item from the victim. The fraudster then challenges the sale, claiming a refund from PayPal and stating that they did not receive the item. PayPal's policy is that it will reverse a purchase transaction unless the seller can provide a shipment tracking number as proof of delivery; PayPal will not accept video evidence, a signed document, or any form of proof other than a tracking number as valid proof of delivery.[citation needed]

This form of fraud can be avoided by only accepting cash from buyers who wish to collect goods in person.